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AZ CORP COMMISSION
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September 15, 2003

Arizona Corporation Commission

DOCKETED

HAND DELIVERED

SEP 15 2003

Chairman Marc Spitzer
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

DOCKETED BY	
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Re: UNS Gas, Inc. - Filing for Approval of a Purchase Gas Adjuster Surcharge
(Docket No. G-01032E-03-0515)

Dear Chairman Spitzer:

In response to interest in a circuit-breaker mechanism raised at the September 10, 2003 Open Meeting, UNS Gas, Inc. ("UNS") met with the Arizona Corporation Commission Staff to explore the use of a circuit-breaker mechanism in this case. UNS is agreeable to a circuit-breaker mechanism in which the PGA surcharge would not apply to a residential customer's usage that exceeds 140% of the average monthly residential usage (December through March) for the prior four years. A separate average would be used for Santa Cruz County and for northern Arizona, and the surcharge would continue until the PGA bank balance reaches zero.

UNS respectfully requests that the Commission consider this circuit-breaker mechanism as soon as possible because the current surcharge lapses on September 30, 2003. If the surcharge lapses without a new surcharge in place, the PGA bank balance will be increased, resulting in higher surcharges in the future. UNS notes that Open Meetings are scheduled for September 18th and 19th and is available to appear at either Open Meeting to address these issues.

Thank you for your consideration.

Very truly yours,

LEWIS AND ROCA LLP

Thomas H. Campbell

THC/bjg

cc: Commissioner Jim Irvin
Commissioner William Mundell
Commissioner Jeff Hatch-Miller
Commissioner Mike Gleason
Ernest Johnson, Director, Utilities Division
Jason Gellman, Legal Division
Docket Control